



Council Auditor's Office

Oceanfront Parks Revenue Audit Follow-up Report

Report #721A

Released on: February 3, 2016

OFFICE OF THE COUNCIL AUDITOR
Suite 200, St. James Building



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Honorable Members of the City Council
City of Jacksonville

The purpose of this report is to document our follow-up review of past report #721, Oceanfront Parks Revenue Audit, to determine whether or not corrective action has been taken in response to our findings and recommendations. We are providing this special written report in accordance with Ordinance Code Section 102.102. This report does not represent an audit or attestation conducted pursuant to Government Auditing Standards.

We sent a follow-up letter to the Parks, Recreation and Community Services Department inquiring as to the status of the original audit report recommendations. We reviewed the recommendations from our audit report, the auditees' responses to the recommendations, and the auditees' responses to our follow-up letter. We then performed limited testing on a judgmentally selected sample of findings to verify that our recommendations have been implemented as stated in the auditee's responses. The following is a brief summary of the results of our follow-up inquiry and testing.

Based on the responses received from the audited department and our follow-up testing of a judgmentally selected sample, it appears that the department has complied with our audit recommendations with the following exceptions:

Internal Control Weakness 1 – 3 *Exclusion of Z Tape from Second Register*

Internal Control Weakness 1-3 found that Huguenot Park did not include a Z tape from the second admissions register in daily reports to verify it was not used to collect revenues. The department responded that during the busy spring and summer seasons when the second admissions register is placed in service, a Z tape will be run from the register each day regardless of use. However, our follow-up testing showed that the Z tape was not always being provided for the second admissions register. The Z tape and closing report for Huguenot Park's second cash register was not on file for nine of the ten days reviewed.

Parks, Recreation and Community Services Department Response to the Follow-Up of Internal Control Weakness 1-3

Agree Disagree Partially Agree

This issue was brought to the attention of Huguenot Memorial Park Management when the audit follow-up was conducted and the Council Auditor made the Division Chief aware of the issue in May 2015. Park Management reviewed the policies with each of the park office staff and reinforced that the logging of the z tapes was required as part of closing. The Chief conducted a spot check of Z tapes in July and August and found that the tapes were being properly stored and logged.

Finding 1 – 5 *Non-Compliance with the City’s Cash Receipts Policies*

Finding 1-5 found that both Hanna and Huguenot Parks were not in compliance with several sections of the City’s Standard Operating Procedures for Cash Receipts. Receipts were not consistently given to customers as required by the Standard Operating Procedures. Our follow-up testing found that it is the policy of both parks to offer all paying customers a receipt; however, this departure from the City’s Standard Operating Procedures for Cash Receipts was not approved by the City’s Finance Director.

Parks, Recreation and Community Services Department Response to the Follow-Up of Finding 1-5

Agree Disagree Partially Agree

The policy to offer paying customers a receipt was approved verbally by the previous Finance Director with the contingency that a sign be placed in the window stating “if you are not offered a receipt, please call...”. The Division Chief will work with the new Finance Director to ensure that the departure from policy which requires offering a receipt to all customers is still acceptable and will request the approval in writing for future reference.

Finding 1 – 8 * Contract Revenue not Remitted to the City*

Finding 1-8 found that contract revenue was not being remitted to the City. Our follow-up testing found that for the period of October 1, 2014 through June 19, 2015, Hanna Park’s vending machine services vendor had not paid late fees totaling \$475 that are due to the City per the terms of the contract. Additionally, we were unable to verify that accurate payments are being made to the City in accordance with the contract terms because the vendor is not submitting a monthly itemized report detailing the sales by location.

Parks, Recreation and Community Services Department Response to the Follow-Up of Finding 1-8

Agree Disagree Partially Agree

The late fees totaling \$475 have since been received from the vendor and have been deposited into RPCM011PG. The late fees were not deposited into the Hanna Park fund, RPWF1D2 as Hanna Park is only one of many locations on the vending machine contract. As for the detailed report, the Department has requested detailed reports from the vendor however a detailed report is not required by the contract. This deficiency will be addressed when the contract is rebid.

Finding 1 – 9 *Lost Revenue from Concession Contracts *

Finding 1-9 found that lapsed contracts at both Hanna and Huguenot Parks resulted in lost revenue to the city. Our follow-up review found that there are no active contracts for the Hanna Park campground store (lapse in service since December 31, 2011) or Huguenot Park concession facilities (lapse in service since December 31, 2014).

Parks, Recreation and Community Services Department Response to the Follow-Up of Finding 1-9

Agree Disagree Partially Agree

An RFP for both concessions have been previously advertised with no responsive responsible bidders. The Hanna Park concession contract is currently out for bid and will close on 13 January 2016. The Huguenot Memorial Park concession will re-advertise in January.

Opportunity for Improvement 1 – 2 *Increase Management’s Role in the Revenue Reporting Process*

Opportunity for Improvement 1-2 recommended adjusting the hours of onsite managers at Hanna and Huguenot Parks to be present at the close of business each day to run reports and verify cash. Our follow-up review found that Hanna and Huguenot Park managers are not always present at the parks closing due to scheduling issues.

Parks, Recreation and Community Services Department Response to the Follow-Up of Opportunity for Improvement 1-2

Agree Disagree Partially Agree

We agree that this is an issue and we are currently working with Employee Services to reclassify an existing vacancy to a “lead-worker” position to help provide better coverage in the office at closing.

Opportunity for Improvement 1 – 3 *Identifying Cash Handler*

Opportunity for Improvement 1-3 recommended including a place for the preparer and verifier to attest to the accuracy of the report on Huguenot Park’s daily camping reports. Our follow-up testing found that the Huguenot Park daily camping report has not been updated to include a field for the preparer and verifier.

Parks, Recreation and Community Services Department Response to the Follow-Up of Opportunity for Improvement 1-3

Agree Disagree Partially Agree

The referenced fields have since been added to the daily camping report.

We would like to thank the Parks, Recreation and Community Service Department for their cooperation in conducting this follow-up review.

Sincerely,

Kirk A. Sherman, CPA
Council Auditor